

Iowa Communications Network Bill House File 2686

Last Action:

**House Appropriations
Committee**

March 15, 2006

Executive Summary Only

An Act providing for technical and substantive changes relating to the Iowa communications network.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

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EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

HOUSE FILE 2686 IOWA COMMUNICATIONS NETWORK BILL

BACKGROUND

IOWA COMMUNICATIONS NETWORK FUND

FISCAL IMPACT

- House File 2686 makes several technical and substantive changes regarding the operation of the Iowa Communications Network such as the ability to abolish advisory committees.
- House File 2686 allows the ICN to keep the interest earned by the balance in the ICN Fund rather than depositing the interest in the General Fund. The Fund was established to support ongoing operational needs and to facilitate cash flow requirements. Revenues, consisting of payments from ICN customers for services rendered, are used to pay for the expenses incurred by the Network.
- There is approximately \$2.0 million to \$4.0 million in the Fund at any one time. As of February 28, 2006, there was \$3.2 million in the Fund. The average monthly balance is \$2.8 million, which earns approximately \$75,000 in interest annually, based on an FY 2005 interest rate of 2.63%.